Investment Policy 2026-2027

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Approval Authority	Council
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Policy Version Number	12
Policy Owner	Corporate Services
Contact Officer	Director of Corporate Services

PURPOSE

Council is required by section 191 of the *Local Government Regulation 2012* to prepare and adopt an investment policy, which must outline: -

a) Council's investment objectives and overall risk philosophy; and
b) Procedures for achieving the goals related to investment stated in the policy.

The purpose of this policy is to provide a framework for making decisions concerning appropriate investment of Council Funds.

POLICY OBJECTIVES

Council has been allocated a "category 1 investment power" pursuant to the *Statutory Bodies Financial Arrangements Act 1982* ("SBFA").

Council has a number of duties and responsibilities when investing funds, pursuant to this category 1 investment power. These are outlined in Sections 47 and 48 of the SBFA.

The SBFA requires a statutory body to use its best efforts to invest its funds:

a) At the most advantageous interest rate available to it at the time of the investment for an investment of the proposed type; and
b) In a way it considers is most appropriate in all the circumstances.

Further, the SBFA requires that a statutory body must keep records that show it has invested in the way most appropriate in all the circumstances.

This policy also identifies how Council ensures legislative compliance whilst pursuing its investment objectives and achieving best practice in the investment of Council funds to maximise revenue.

COMMENCEMENT OF POLICY

This Policy will commence on adoption. It replaces the Investment Policy 2025-2026.

HUMAN RIGHTS COMMITMENT

Council has considered the human rights protected under the *Human Rights Act 2019* (Qld) (the Act) when adopting and/or amending this policy. When applying this policy, Council will act and make decision in a way that is compatible with human rights and give proper consideration to a human right relevant to the decision in accordance with the Act.

POLICY STATEMENT

CONTEXT

The context of this Policy aims to ensure a clear and concise approach is undertaken in respect to investments of Council funds.

POLICY STATEMENT

It is Council's intention that all Council funds not immediately required for financial commitments be invested and that the investment institutions used maximise Council earnings when taking into account institutional, market and liquidity risks.

STANDARDS

KEY PRINCIPLES

- All Council funds not required for financial commitments are to be invested.
- Investment institutions used should maximise Council earnings when taking into account institutional, market and liquidity risks.
- To maintain financial stability and sustainability of Council funds.

SPECIFIC AND STANDARD

Placement of Investment Funds

Section 44 (1) of the SBFA authorises that investments comprise of the following:

a) Deposits with a financial institution;
b) Investment arrangements accepted, guaranteed or issued by or for the Commonwealth or a State or a financial institution;
c) Other investment arrangements secured by investment arrangements accepted, guaranteed or issued by or for the Commonwealth or a State or a financial institution;
d) Investment arrangements, managed or offered by QIC or QTC, prescribed under a regulation for this paragraph;
e) An investment arrangement with a rating prescribed under a regulation for this paragraph; and

f) Other investment arrangements prescribed under a regulation for this paragraph.

Section 44 (2) of the SBFA states that the investment must be:

a) At call; or
b) For a fixed time of not more than one (1) year.

Quotation on Investment

Not less than two (2) quotations shall be obtained from authorised institutions whenever a new investment is proposed.

The best quote on the day will be successful after allowing for administrative and banking costs, as well as having regard to risk factors. This to be chosen by the Chief Executive Officer or his nominated delegate.

An exemption applies to the requirement to obtain quotes where funds are invested with QTC. Investments held with QTC cash fund will be benchmarked against other investments or quoted investment rates half yearly to ensure Council is receiving the most advantageous rate given the risk/return trade-off.

When investing funds Council staff should aim to minimise the risk to the financial instruments. As such, the authorised investments must be from one of the following:

1. Interest bearing deposits with a licensed bank;
2. Deposits with Queensland Treasury Corporation (QTC); or
3. Deposits with a credit union or building society specifically approved by Council.

Term to Maturity

Council's investment portfolio should be realisable, without penalty, in a reasonable time frame.

The term to maturity of Council investments should not exceed one (1) year

Internal Controls

Council is, at all times, to have in place appropriate controls to prevent the fraudulent use of public monies. The following controls detail the minimum that is required:

a) A person is to be identified as the responsible officer for the investment function;
b) All investments are to be authorised by the Chief Executive Officer or nominated delegate;
c) Confirmation advice from the Financial Institution are to be attached to the Investment Authorisation Form as evidence that the investment is in the name of Diamantina Shire Council; and
d) A person, other than the Responsible Officer, is to perform the bank reconciliation at the end of each month (alternatively, the reconciliation needs to be reviewed by another officer).

Record Keeping

Section 48 of the SBFA states that:

> *"A security, safe custody acknowledgment or other document evidencing title accepted, guaranteed or issued for an investment arrangement must be held by the statutory body or in another way approved by the Treasurer".*

Council will maintain records in accordance with SBFA provisions.

The procedure for the investment of Council funds is to be documented and followed at all times.

Legislative Requirements

Council will at all times comply with legislation applicable to the investment function within Local Governments.

Council will utilise its Category 1 Investment Powers (Section 44 SBFA) to earn interest revenue on its operating funds to supplement Council's other sources of revenue.

SERVICE STANDARDS

The Investment Policy will be developed and presented to Council each financial year, prior to the adoption of the next financial year's budget.

DEFINITIONS

To assist in interpretation, the following definitions shall apply:

Term	Definition
Council	Means Diamantina Shire Council
SBFA	*Statutory Bodies Financial Arrangements Act 1982*

SUPPORTING DOCUMENTATION

Legislation	*Local Government Act 2009* *Local Government Regulation 2012* *Statutory Bodies Financial Arrangements Act 1982* *Statutory Bodies Financial Arrangements Regulation 2019*
Council Policies	Debt Policy
Supporting Documents	Corporate Plan 2022 – 2027 Adopted Budget Long Term Financial Plan Long Term Asset Management Plan

VERSION CONTROL

Version	Adopted	Comment	eDRMS #
2015-16	18 May 2015	Resolution: 2015.05.18 – OM-4	N/A
2016-17	27 June 2016	Resolution: 2016.06.27-OM-4	N/A
2017-18	May 15 2017	Resolution: 2017.05.15-OM-12	N/A
2018-19	June 25 2018	Resolution: 2018.06.25-OM-10	N/A
2019-20	June 24 2019	Resolution: 2019.06.24-OM-5	N/A
2020-21	June 22 2020	Resolution: 2020.06.22-OM-3	N/A
2021-22	July 19 2021	Resolution: 2021.07.19-OM-9	N/A
2022-23	July 29 2022	Resolution: 2022.07.29-SM-2	N/A
2023-24	July 20 2023	Resolution: 2023.07.20-SM-04	N/A
2024-25	31 July 2024	Resolution: 2024.07.31-SM-06	324755
2025-26	17 June 2025	Resolution: CNL/25/144	324869
2026-27	16 June 2026	Resolution: SCM/26/002	330527